

State of Arizona

Arizona Department of Housing

Welcome to the fall issue of the electronic newsletter of the Arizona Department of Housing (ADOH). This electronic newsletter is published on a quarterly basis to update constituents regarding issues relevant to housing and community development within the state of Arizona. If you do not wish to receive further issues of this e-newsletter, you may unsubscribe by emailing a message to: cynthiad@housingaz.com.

It's official! We are now the Arizona Department of Housing

On October 1, 2002 the Arizona Department of Housing was officially established as a cabinet level state agency. In the spring of 2001, Governor Jane Dee Hull signed into law legislation that established the Arizona Housing Finance Authority on January 1, 2002, and the Arizona Department of Housing on October 1, 2002. These two new entities were established so that state government in Arizona could more effectively assist in developing affordable housing in viable communities and develop more tools to impact this area of growing concern in the state. Since the spring of 2001, staff within the housing division in the Department of Commerce, and later the Governor's Office of Housing Development, have worked overtime to bring this new agency into being. All of us here at the newly formed agency look forward to serving our constituents and making a difference in the ability of all Arizonans to access safe, decent, affordable housing.

Arizona Affordable Housing Profile – Final Report Near Release

As previously reported, ADOH and the Arizona Housing Commission, in partnership with the U.S. Department of Housing and Urban Development (HUD), hired Elliott D. Pollack and Company to prepare an Arizona Affordable Housing Profile. The profile includes a detailed examination of the housing inventory in each community and county in the state, the affordability of that housing, and efforts being undertaken by communities to produce and retain affordable units. The resulting report indicates where "gaps" exist in the affordable housing stock, community by community. The final report is nearing completion and should be available on our website sometime in December.

Arizona Housing Commission Meetings

The Arizona Housing Commission, a 24-member advisory body to ADOH meets on a monthly basis. Meetings are rotated at sites throughout the state. The next meeting is scheduled for December 6. Members of the public are invited to attend meetings of the Commission. If you would like to be added to a list to receive future meeting notices, contact Cynthia Diggelmann at (602) 280-1365 or cynthiad@housingaz.com.

AzHFA Board Meetings

The Arizona Housing Finance Authority (AzHFA) Board of Directors is a seven-member board that governs the work of the AzHFA. Board meetings are open to the public and are typically held at noon on the second Tuesday of the month in Phoenix. The next meeting is scheduled for noon on November 12 at the Wingate Inn, 2520 North Central Avenue, Phoenix, AZ 85003.

2002 Rural Mortgage Revenue Bond Program

As of the end of October, the Arizona Housing Finance Authority's 2002 Rural Mortgage Revenue Bond Program has received over one million dollars in mortgage reservations for the 2002 program. Twelve rural households have funding reservations to access the 6.25% interest rate mortgage financing and will receive 4% of their loan amount as down payment and closing cost assistance. This financing option helps make homeownership a more affordable option in rural Arizona. Funding is still available, but don't miss out on an opportunity to access this program.

See the information on the 2002 Rural MRB program in the Arizona Housing Finance Authority section of our website at www.housingaz.com to learn how to access this funding. Lenders who are interested in participating in these types of programs in the future should contact Jill D. Godfrey at (602) 280-1367 or jillg@housingaz.com.

Rental Housing Development Workshop scheduled for November 20

ADOH will host an all-day rental development workshop on Wednesday, November 20th, from 8:00 a.m. until 3:30 p.m. at The SunBurst Resort, 4925 N. Scottsdale Rd., Scottsdale, AZ 85251. The workshop audience is for-profit and nonprofit housing developers, financial advisors, consultants, investors or any person directly involved in the development of affordable rental housing who desire to gain knowledge of the multi-family Low-Income Housing Tax Credit (LIHTC) Program, State Housing Fund Program, and programs of the Arizona Housing Finance Authority. This workshop will include an overview of the next competitive LIHTC round and the 2003 Qualified Allocation Plan (QAP). Registration is \$150 per person (\$175 after November 13th). After November 8th a copy of the QAP may be downloaded from our website at www.housingaz.com. For more information on registering for the workshop contact Julie Klingseis at (602) 280-1365 or juliek@housingaz.com.

Senate Bill 1204 Temporary Committee Report on Bond Financing

Senate Bill 1204 stipulated that the Arizona Housing Commission establish a temporary committee composed of representatives of all stakeholders in industrial development authority financing for single family and multiple family housing allocations pursuant to title 35, chapter 5, Arizona Revised Statutes, which deals with bond financing. The committee will issue a written report to the governor, the president of the senate and the speaker of the house of representatives no later than December 1, recommending allocations and improvements of the system. After December 1, a copy of the report may be obtained by contacting Cynthia Diggelmann at (602) 280-1365 or cynthiad@housingaz.com.

House Bill 2003 providing new housing for Seriously Mentally Ill

ADOH has been working with the Arizona Department of Health Services and the Regional Behavioral Health Agencies throughout the state to develop new housing facilities for persons with a serious mental illness. The program has been funded by the legislature through House Bill 2003, to combine housing programs with an improved level of behavioral health and vocational rehabilitation services to improve the lives of clients. To date, 308 beds of new housing have been approved at a cost of over \$10 million in funds approved through the House Bill and over \$4.1 million in other leveraged housing funds, including funds from the State Housing Fund. It is anticipated that the final number of new beds created through this effort will exceed 320 by early 2003.

ADOH may assist with Shelter Operating Gap

ADOH is working with local domestic violence shelters to identify ways it might assist in funding 45 emergency shelter beds identified as empty for lack of funding by *The Arizona Republic* in a front-page article on October 28. ADOH, which was established primarily to promote the development and preservation of affordable housing in the state does not see itself as a significant source of continued State funding for the operation of area homeless programs. "Those programs and resources reside within the Department of Economic Security," stated Dr. Sheila D. Harris, director of ADOH. "However, the State's housing programs, which were previously housed in Commerce have a history of stepping to the plate to assist with short-term operating deficits if shelter providers can show a plan to rectify funding shortfalls over the long-haul." While ADOH cannot be relied upon for permanent funding solutions for services to homeless shelters, it can help to provide gap funding in a crisis situation. ADOH has been in contact with the five agencies identified by the Republic to begin a dialog to see if there is a way it might be able to assist in making these beds available for occupancy by otherwise homeless women and children.

ADOH Funding to Assist in Rodeo Chediski Fire

ADOH is providing a grant to the Northern Arizona Council of Governments (NACOG) that will be utilized exclusively to assist with replacement housing for victims of the Rodeo Chediski fires who were unable to obtain federal SBA loans or other assistance available through FEMA after the summer wildfires. Up to \$271,945 has been set aside to assist eight households identified as needing such assistance.

State Budget Woes and Housing

Because state budget reductions have focused on state general fund dollars, ADOH has not sustained any substantial cuts to its budget at this time. Operationally the new agency relies most heavily on federal funding and fees generated through its programs. A very small part of the agency's budget consists of state funding from the unclaimed property fund, which provides funding for the Housing Trust Fund. The agency receives no general fund support. Early last year the legislature approved a \$2 million sweep of the Housing Trust Fund to assist with balancing the State's general fund budget. This amounts to a more than 10% cut of funding from this particular source of funding and the Governor's office has indicated that it is not now looking at the Housing Trust Fund for any further contributions to the general fund crisis. However, as the legislature returns to further address the budget crisis there is always the possibility that further cuts may be viewed as necessary. The Housing Trust Fund provides match for millions of dollars in federal funding received by the state and also provides the most flexible funding source for housing activities that are not otherwise fundable through the agency's other programs such as eviction and foreclosure prevention programs, fair housing education, emergency repair programs, and other housing assistance.

ADOH Staff receives Career Recognition Award

Paul Harris, a technical assistance coordinator with ADOH, has received the "Career Recognition Award" at the Annual Arizona Coalition to End Homelessness Conference in Phoenix on October 28th. Harris was recognized for his statewide work in assisting with the development of a wide variety of homeless programs and assisting in getting funding for a large number of homeless programs and facilities. Congratulations Paul!

Did you know . . . ADOH will be moving?

ADOH is slated to move to the second floor of the State of Arizona Capitol Tower at 1700 West Washington Avenue sometime after the first of the year and before April 1. We will keep you updated on the status of this move and will provide our new address and telephone numbers as soon as further details on the date of the move are known.

Upcoming Conferences . . .

"One Unified Voice for Affordable Housing" – November 13

The Community Development Coalition of Arizona (CDCA) and Arizona Coalition to End Homelessness (ACEH) will be holding a forum at Bill Wilson Hall, 2770 East Van Buren, Phoenix on November 13 starting at 5:15 p.m. to discuss how affordable housing fits into numerous social service programs and issues and some of the challenges expected in 2003. RSVP to CDCA at (602) 277-1333 or info@cdcaaz.org. Support for the forum is being provided by Lewis and Roca, Value Options, and Community Bridges.

Notices of Funding Availability . . .

FY 2003 State Housing Fund Notice of Funding Availability

A Notice of Funding Availability (NOFA) for FY 2003 funding for affordable housing projects and programs is now posted on our website. The NOFA announces funding available from ADOH through the State Housing Fund Program (Federal HOME and State Housing Trust Fund) from July 1, 2002 through June 30, 2003. For more information, visit our website at www.housingaz.com.

ADOH to Provide Technical Assistance and Grants

ADOH has announced the availability of technical assistance and possible funding to help communities and organizations to develop innovative projects that address their housing needs. Interested entities can receive staff assistance and funding to pursue the steps necessary to develop housing and community development projects and strategies. To be eligible, ADOH must receive a letter of intent from interested applicants. More information on this assistance is on our website at www.housingaz.com.

Upcoming Training . . .

Virginia G. Piper Charitable Trust Public Information Session – December 4, 2002. The Virginia G. Piper Charitable Trust, 6720 North Scottsdale Road, Suite 350, Scottsdale, will present a public information session on December 4, from 10:00 a.m. to noon, providing information on the trust's grant making priorities, proposal components and review process. RSVP at least one week prior to: loven@pipertrust.org. For more information go to: www.pipertrust.org or call (480) 948-5853.

Neighborhood Reinvestment Training Institute Course Offerings – December 9-13, 2002. The Neighborhood Reinvestment Training Institute will offer trainings on a myriad of housing and community development issues December 9 – 13 in Washington, DC. Tuition is \$150 per day, plus a \$50 non-refundable non-transferable registration fee. A late registration fee also may apply. Continuing education credits and professional certification in certain areas is available. For more information go to: www.nw.org/network/home.asp. Email your questions to: nrti@nw.org or call (800) 438-5547.

Understanding Arizona's Low-Income Housing Tax Credit & HOME Compliance – January 30-31, 2003. All current or future Low-Income Housing Tax Credit (LIHTC) or HOME funded rental property owners, management agents, site managers, and other people actively involved in screening applications or leasing units to eligible households are invited to attend a two-day workshop on January 30 and 31, 2003, at the Sunshine Hotel, 3600 North 2nd Avenue, Phoenix, 85013. Registration is \$125 per person (\$150 after 12/31). For more information regarding the workshop contact Rosie Porras at (602) 280-1365 or rosiep@housingaz.com.

Other Info . . .

The Rural Water Infrastructure Committee (RWIC), staffed by the Arizona Small Utilities Association meets regularly at various locations throughout Arizona. Meetings are scheduled monthly. Rural communities are invited to attend to discuss specific water and waste water problems in their areas. For more information and meeting dates/times contact Neal Whittle at: nwhittle@asua.org.

Federal Indian Housing Programs Renewed. In October the House and Senate passed a bill reauthorizing the Native American Housing Assistance and Self-Determination Act (NAHASDA) for five years. NAHASDA provides HUD Indian housing block grants to tribes. The bill now goes to President Bush for signature. For more information on NAHASDA contact HUD at (602) 379-7200.

Vouchers may be used for down payment assistance. A final federal rule will allow public housing agencies to provide families with a single grant for a down payment on a home rather than a monthly homeownership assistance payment for agencies participating in the Section 8 Homeownership Program. HUD anticipates implementing grants during FY 2003. See the Federal Register dated 10/18/2002 or contact Gerald Benoit at HUD at (202) 708-0477.

Minority Homeownership Targeted. President Bush, HUD Secretary Martinez, and USDA Secretary Veneman, held a press conference on October 15 at a White House Conference on Minority Homeownership, committing to help 5.5 million minority families own homes by 2010. Details are at: www.hud.gov/initiatives/blueprint/index.cfm.

National Disability Policy: A Progress Report issued. The National Council on Disability, which is a federal agency reporting to the President and Congress, has released a report on accessibility problems and discrimination problems that make affordable housing shortages especially acute for people with disabilities. Recommendations include increasing the housing supply and enforcing fair housing laws. For a copy of the report, go to: www.ncd.gov/newsroom/publications/progressreport_07-26-02.html or call NCD at (202) 272-2004.

Homelessness awards gala planned. The National Coalition for the Homeless will hold its "Bringing America Home for the Holidays" awards gala, honoring those who have contributed in the effort to end homelessness, on December 7 in Washington, DC. For more information, go to: www.nationalhomelessness.org/gala or contact NCH at ainazu@nationalhomeless.org or call (202) 737-6444, ext. 25.

Recent Funding Announcements . . .

Since July 1, this office has made the following commitments for funding of housing and community development programs and projects in Arizona:

Low-Income Housing Tax Credits Program – In August Governor Hull announced two awardees of the Governor's Discretionary LIHTC set-aside. The two projects chosen by the Governor were: Mountain Village, a new 68-unit assisted living project that will begin construction later this year in Show Low, and Casa Bonita I & II, a 30-unit project in Tucson that will provide housing for the seriously mentally ill. The LIHTC Program annually awards up to \$90 million in federal tax credits to finance the new construction or acquisition and rehabilitation of rental units specifically to increase or preserve the affordable housing stock within Arizona. Besides these two projects, the State awarded, through a competitive process, tax credits to 19 other projects. A list of these projects is available on our website at www.housingaz.com.

State Housing Fund Program – State Housing Fund (HOME and Housing Trust Fund) Awards made since July 1, 2002:

Recipient	Service Area	Type of Program/Project	Funding
Western Rural Area:			
Kingman Aid to Abused People	Kingman	New construction of rental	392,000
Southeast Rural Area:			
Homestead Hope LLC	Nogales	New construction of rental	400,000
Good Neighbor Alliance	Cochise County	Acquisition/rehab of emergency shelter	35,210
Verhelst Recovery House	Bisbee	Planning for emergency shelter	8,880
Central Rural Area:			
Payson Regional Housing Development	Payson	New construction of rental	392,000
Southwest Behavioral Health	Payson	Acquisition of rental	139,900
City of Casa Grande	Casa Grande	Owner-Occupied Housing Rehabilitation Program	240,000

Northern Rural Area:			
Rural America Assisted Living Facilities	Show Low	New construction of rental	750,000
White Mountain Apache CDC	Cibecue	New construction of rental	373,000
The Guidance Clinic	Flagstaff	Acquisition/rehab of rental	179,535
The Guidance Clinic	Coconino County	SHP administration	3,193
The Affordable Housing Coalition	Flagstaff	New construction for homeownership	120,000
NACOG	Navajo County	Replacement housing – Rodeo Chediski Fire	271,945
NACOG	Apache, Coconino, Navajo, Yavapai Counties (off reservation)	Owner-Occupied Housing Emergency Repair Program	180,050
Metropolitan Areas:			
Phoenix Volunteers of America Elderly Housing, Inc.	Phoenix	New construction of rental	250,000
Community Services of Arizona	Phoenix	New construction of rental	395,467
Community Services of Arizona	Tucson	New construction of rental	250,208
East Valley Addiction Center	Mesa	New construction of rental	500,000
Bay Club Housing Corporation	Mesa	Rehabilitation of rental	400,000
Development Design Group	Tucson	New construction of rental	374,677
Maricopa Association of Governments	Maricopa County	Continuum of Care Planning Grant	50,000
Information and Referral Services, Inc.	Pima County	Continuum of Care Planning Grant	20,000
CODAC Behavioral Health Services	Tucson	Acquisition/rehab of rental	256,282
City of Tucson	Tucson	New construction of rental	400,000
The Respite Shelter for Homeless Men	Phoenix	Emergency operating grant	11,000
Community Home Repair Projects of Arizona, Inc.	Pima County	Owner-Occupied Housing Emergency Repair Program	162,650

State Housing Fund – amounts remaining available . . .

Below is information regarding amounts remaining unencumbered and available to be applied for through the State Housing Fund application process as of this date and through the end of the fiscal year (June 30, 2003).

Special Note regarding Owner-Occupied Housing Rehabilitation in urban counties (Maricopa and Pima Counties)

Due to the volume of applicants with projects within Maricopa and Pima Counties during the first round of owner-occupied housing rehabilitation applications, the urban funding goal for Maricopa and Pima Counties has been met for this activity. As a result, the agency will not be accepting any more applications for this activity for projects serving Maricopa or Pima Counties for the remainder of this fiscal year (through June 30, 2003).

Activity	State Housing Trust Funds	Federal HOME Funds
Rental Housing, including HOME CHDO set-aside, LIHTC gap financing (2002 round); emergency shelter development; operating subsidies for new special needs housing projects	\$3,543,932	\$ 1,871,725
Homeownership Housing, including HOME CHDO set-aside, new construction; acquisition/ rehabilitation for resale	250,000	380,000
Owner-occupied Housing Rehabilitation, including emergency repair	657,300	839,255
Tenant-based Rental Assistance	200,000	

Grantee/recipient Administrative Costs	444,669	
Fair Housing Education	150,000	
Prison City Housing	500,000	
State Special Projects	915,000	
Totals	\$ 6,660,901	\$ 3,090,980

Look for this list to be updated regularly at www.housingaz.com

To assist you with planning, the agency website will begin posting information on the amount of funding remaining available under Activity budgets no later than December 1, 2002. Look for this information at: www.housingaz.com.

State Housing Fund Amendment No. 2 RE: 1.12 Activity Objectives

The agency will be issuing an amendment to the ***FY 2003 State Housing Fund Program Summary and Application Guide*** outlining changes in the overall activity objectives for the fund for FY 2003. This amendment will be posted on the agency website sometime during the week of November 11, 2002, and will be mailed to all individuals who have requested that a 2003 Program Summary be mailed to them in the past.

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